
COMMITTEE PROCEEDINGS

The House Select Committee on Rising Home Foreclosures met four times from January 23, 2008, until April 29, 2008. The Committee heard presentations from a number of participants in the mortgage lending and foreclosure process including:

- North Carolina Commissioner of Banks, Joseph A. Smith, and Deputy Commissioner of Banks, Mark Pearce presented an overview of the mortgage industry and foreclosure trends in the State. Deputy Commissioner Pearce outlined the following recommendations to reduce foreclosures:
 - Hold lenders and brokers accountable for origination of abusive or fraudulent loans and increase funding for enforcement of current laws.
 - Work with servicers to ensure that homeowners have opportunities to avoid needless foreclosures and also increase regulation of mortgage servicers.
 - Increase funding for counseling resources for homeowners in distress.
 - Temporarily increase judicial review of foreclosures for certain types of sub-prime or nontraditional loans originated in 2005 – 2007.
- Senior Deputy Attorney General, Josh Stein presented concerns from the perspective of the Consumer Protection Division of the Attorney General's Office. Mr. Stein said that the State should seek to prevent unnecessary foreclosures by 1.) Setting clear rules to outlaw abusive loans; 2.) Enforcing those rules; 3.) Educating consumers; and 4.) Holding servicers accountable.
- Mr. Al Ripley, Senior Staff Attorney, NC Justice Center, discussed foreclosure trends from the consumer perspective. Mr. Ripley recommended providing resources for pre-purchase counseling and post-purchase foreclosure mitigation counseling, legal service providers, and the NC Housing Trust Fund. He also encouraged the passage of legislation to address foreclosure rescue scams and the monitoring of recent anti-predatory lending laws.
- Mr. Paul Stock, General Counsel, NC Bankers' Association, congratulated the NC General Assembly for being the most proactive legislature in the country on the issues of predatory lending and foreclosure prevention. He affirmed the industry's willingness to work with the Committee.
- Ms. Louise Mack, Executive Director, Prosperity Unlimited, Inc., a nonprofit credit counseling agency, described the role of housing counselors in helping to reduce foreclosures.
- Ms. Keir D. Morton, Program Development Officer, NC Housing Finance Agency, presented information on the services provided and funding sources associated with housing counseling agencies in the state and the role of the Housing Finance Agency in helping to provide the resources for financing affordable housing.
- Mr. Roberto Quercia, Director, UNC Center for Community Capital, discussed the benefits of housing counseling. He presented a summary of his research which indicates that post-purchase foreclosure prevention counseling is useful as a means of dealing with rising delinquencies and foreclosures.